



Schedule 3K-1 Partner's Massachusetts Information

2000

Massachusetts
Department of
Revenue

For calendar year 2000 or taxable year beginning			ending		
Partner's name			Partnership's name		
Street address			Street address		
City/Town	State	Zip	City/Town	State	Zip
Partner's Social Security or Federal Identification number			Partnership's Federal Identification number		
Type of entity:			If an individual, check the appropriate box: Resident <input type="checkbox"/> Nonresident <input type="checkbox"/>		
			Note to each partner: The partnership has completed the information on this tax schedule. Refer to Partner's Instructions for Schedule 3K-1 on the back before entering information from this tax schedule on your tax return.		

Partner's Distributive Share

For a **corporate partner**, skip to line 22. For a **nonresident partner** eligible to apportion, enter in column B the amount of the partner's share of each applicable distributive share item multiplied by the apportionment percentage in Form 3, line 30. For line 9, enter the amount of the partner's share without apportionment. For **all other partners**, enter in column B the amount of the partner's share of each applicable distributive share item.

A. Distributive share item	B. Partner's Mass. distributive amount	C. Form 1, 1-NR/PY or 2 filers, use the amount in column B to complete:
1 Massachusetts ordinary income or (loss) (from Form 3, line 8)		
2 Guaranteed payments to partners (deductible and capitalized) (from U.S. Form 1065, Schedule K, line 5)		
3 Separately stated deductions. Attach statement		
4 <i>Combine lines 1, 2 and 3.</i>		Forms 1 or 1-NR/PY, Sch. E, Part II or Form 2
5 Credits. Attach statement		See Schedule 3K-1 instructions
6 Net income/(loss) from rental real estate activity(ies) (from Form 3, line 9)		See Schedule 3K-1 instructions
7 Net income/(loss) from other rental activity(ies) (from Form 3, line 10)		See Schedule 3K-1 instructions
8 5.85% interest from Massachusetts banks (from Form 3, line 13)		Forms 1, 1-NR/PY or 2
9 Interest on U.S. debt obligations (from Form 3, line 12)		See Schedule 3K-1 instructions
10 Non-Mass. state and municipal bond interest (from Form 3, line 15)		See Schedule 3K-1 instructions
11 Interest (other than Massachusetts bank interest) and dividend income (from Form 3, line 14)		See Schedule 3K-1 instructions
12 Royalty income (from Form 3, line 16)		See Schedule 3K-1 instructions
13 Other income (from Form 3, line 17)		See Schedule 3K-1 instructions
14 Short-term capital gains (from Form 3, line 18)		Forms 1, 1-NR/PY or 2, Schedule B
15 Short-term capital (losses) (from Form 3, line 19)		Forms 1, 1-NR/PY or 2, Schedule B
16 Gain on the sale, exchange or involuntary conversion of property used in a trade or business and held for one year or less (from Form 3, line 20)		Forms 1, 1-NR/PY or 2, Schedule B
17 (Loss) on the sale, exchange or involuntary conversion of property used in a trade or business and held for one year or less (from Form 3, line 21)		Forms 1, 1-NR/PY or 2, Schedule B
18 Long-term capital gain/(loss) (from Form 3, line 22)*		Forms 1, 1-NR/PY or 2, Schedule D
19 Long-term Section 1231 gains or (losses) (from Form 3, line 23)*		Forms 1, 1-NR/PY or 2, Schedule D
20 Long-term gains on collectibles and pre-1996 installment sales (from Form 3, line 24)*		Forms 1, 1-NR/PY or 2, Sch. B & Sch. D
21 Differences and adjustments, if any (from Form 3, line 25)		

*The partnership may provide each partner with a written breakdown of long-term capital gains and (losses) by the applicable holding period(s). If the partnership does not do so, all long-term capital gains and (losses) are to be reported as being held for more than one year but not more than two years, and excluding long-term gains on collectibles and pre-1996 installment sales, taxed at 5%.

Corporate Partner Information. Complete for corporate partner only.

A. Distributive share item	B. Amount	C. Business or manufacturing corporations, use the amount in column B to complete:
22 State and municipal bond interest not included in U.S. net income		Schedule E of appropriate corporate form
23 Foreign, state or local income, franchise, excise or capital stock taxes deducted from U.S. net income		Schedule E of appropriate corporate form
24 Other adjustments, if any. Attach statement		Schedule E of appropriate corporate form

Reconciliation of Partner's Capital Account. Complete for each partner.

25 Balance at the beginning of year	26 Net income for the year	27 Capital contributions	28 Withdrawals	29 Balance at end of year (25 + 26 b + 27 - 28)
	a Massachusetts	b Entire		

Schedule 3K-1 Partner's Instructions

Each **partner** should use the information provided on Schedule 3K-1 to complete the appropriate Massachusetts return. If the correct Massachusetts amount of any item differs from the comparable U.S. total, the partner should make the indicated adjustments and attach a statement with the partner's Massachusetts return and explain. More detailed instructions on Schedule 3K-1 are provided in the Form 3 instructions. **Corporate partners** should skip to line 22.

Line 4: Total of lines 1, 2 and 3 — The amount in line 4 includes both your distributive share of the partnership's Massachusetts ordinary income or (loss) and your guaranteed payments (deductible and capitalized). Certain adjustments have already been made to take account of your separately stated deductions, and differences in Massachusetts and federal tax treatment of partnership income, deductions and credits.

The correct Massachusetts amount of the partner's share of ordinary income or (loss) and guaranteed payments may differ from the comparable U.S. total reported on your Form 1 or 1-NR/PY, Schedule E, Part II, line 1; Form 2, line 17; or Form 3F. Each partner should make adjustments in Form 1 or 1-NR/PY, Schedule E, Part II, line 2 and line 4, if applicable; Form 2, line 17; or Form 3F, to reflect the correct Massachusetts amount. Attach a statement with your Massachusetts tax return and explain.

You should receive from the partnership the amount of your share of the costs of renovating a qualifying abandoned building. Use this amount to complete Form 1 or 1-NR/PY, Sched. E, Part II, line 4; Form 2; or Form 3F.

Each partner should receive from the partnership the amounts of the partner's share of any 5.85% interest from Massachusetts banks and interest (other than interest from Massachusetts banks) and dividends included in line 4. Each partner should use these amounts in completing Form 1 or 1-NR/PY, Schedule E, Part II, lines 6 and 7; Form 2; or Form 3F.

Line 5: Credits — The amount in line 5 includes each resident partner's share of any taxes paid to other jurisdictions and otherwise allowable as a credit to the individual. This credit is available only to resident partners and may be taken on Form 1, line 26; Form 1-NR/PY, line 31 or where applicable, on Form 2, line 42.

Also enter in this line the partner's share of any credit due to the partnership for expenses incurred by the partnership for covering or removing lead paint on residential premises in Massachusetts. The partnership must provide each partner with a completed copy of a "Letter of Compliance" or a "Letter of Interim Control" issued by a licensed inspector. Each partner should include their share of the credit in Form 1, line 26; Form 1-NR/PY, line 30; Form 2, line 42; or Form 3F.

This line is also used to report the partner's share of any 5% Economic Opportunity Area Credit for qualifying property in a Certified Project. The amount should then be used by each partner to complete Schedule EOA.

This line is also used to report the partner's share of any Full Employment Credit. The amount should then be used by each partner to complete Schedule FEC.

This line is also used to report the partner's share of any Brownfields Credit. The amount should then be used by each partner to complete Schedule BC.

Line 6 and 7: Net Rental Income or (Loss) — The correct Massachusetts amount of the partner's share of net rental income or (loss) from real estate activities in line 6 may differ from the comparable U.S. total reported on the partner's Form 1 or 1-NR/PY, Schedule E, Part II, line 1; Form 2, Schedule E, line 1, or Form 3F. Each partner should make adjustments in Form 1 or 1-NR/PY, Schedule E, Part II, line 2; Form 2, Schedule E, line 2; or Form 3F.

The correct Massachusetts amount of the partner's share of net rental income or (loss) from other activities in line 7 may differ from the comparable U.S. total reported on the partner's Form 1 or 1-NR/PY, Schedule E, Part II, line 1; Form 2, line 17; or Form 3F. Each partner should make adjustments in Form 1 or 1-NR/PY, Schedule E, Part II, line 2; Form 2, line 17; or Form 3F, to reflect the correct Massachusetts amount.

Line 8: 5.85% Interest from Massachusetts Banks — The amount in line 8 is your share of the partnership's 5.85% interest from Massachusetts banks. Each partner should include the line 8 total in Form 1, line 5; Form 1-NR/PY, line 7; Form 2, line 16; or Form 3F.

Each nonresident partner whose income is apportioned should also receive from the partnership the amount of the partner's pre-apportionment share of 5.85% interest from Mass. banks. See Form 3 instructions.

Line 9: Interest on U.S. Debt Obligations — The amount in line 9 is your share of the partnership's interest on U.S. debt obligations. This income is taxable by the federal government, but is tax-exempt in Massachusetts. Each partner should include the line 9 total in Form 1 or 1-NR/PY, Schedule B, line 6; Form 2, Schedule B, line 5; or Form 3F, Schedule B, line 7.

Line 10: Non-Massachusetts State and Municipal Bond Interest — The amount in line 10 is your share of the partnership's non-Massachusetts state and municipal bond interest. This income is not taxed by the federal government, but is taxable in Massachusetts. Each partner should include the line 10 total in Form 1, 1-NR/PY, 2 or 3F, Schedule B, line 3.

Line 11: Interest and Dividend Income — The correct Massachusetts amount of the partner's share of interest (other than interest from Massachusetts banks) and dividend income in line 11 may differ from the comparable U.S. total reported on Form 1, 1-NR/PY, 2, Schedule B, lines 1 and 2; or Form 3F. Each partner should make adjustments in Form 1 and 1-NR/PY, Schedule B, line 6; Form 2, Schedule B, line 8; or Form 3F, to reflect the correct Massachusetts amount.

Line 12: Royalty Income — The correct Massachusetts amount of the partner's share of royalty income in line 12 may differ from the comparable U.S. total reported on Form 1 or 1-NR/PY, Schedule E, Part I, line 1a; Form 2, Schedule E, line 1a; or Form 3F. Each partner should make adjustments in Form 1, 1-NR/PY or Form 2, Schedule E, line 2; or Form 3F, to reflect the correct Massachusetts amount.

Line 13: Other Income — The correct Massachusetts amount of the partner's share of other income in line 13 may differ from the comparable U.S. total reported on Form 1, 1-NR/PY, 2 or 3F. Each partner should make adjustments on the applicable lines of Form 1, 1-NR/PY, 2 or 3F to reflect the correct Massachusetts amount. If any income reported to the partnership from a Real Estate Mortgage Investment Conduit (REMIC), in which the partnership is a residual interest holder is reported in line 13, then any such adjustment should be made on Form 1 or 2, Schedule E.

Lines 14, 15, 16 and 17 — The amounts in lines 14, 15, 16 and 17 include your share of the partnership's short-term capital gains and (losses) and gain and (loss) on the sale, exchange or involuntary conversion of property used in a trade or business and held for one year or less. The correct Massachusetts amount of these items may differ from the comparable U.S. total. Each partner should make adjustments in the applicable lines of Schedule B to reflect the correct Massachusetts amount.

Lines 18, 19 and 20: The partnership may provide you with a written breakdown of long-term capital gains and (losses) by the applicable holding period(s). If the partnership does not do so, all long-term capital gains and (losses) are to be reported as being held for more than one year but not more than two years, and excluding long-term gains on collectibles and pre-1996 installment sales, taxed at 5%.

Lines 18 and 19: Capital Gain or (Loss) — The amounts in lines 18 and 19 include your share of the partnership's long-term capital gain or (loss) and long-term Section 1231 gains or (losses). The correct Massachusetts amount of each partner's share of these items may differ from the comparable U.S. total reported on the partner's Form 1, 1-NR/PY, 2 or 3F, Schedule D. Each partner should make adjustments in Form 1, or 1-NR/PY, Schedule D, line 9 or Form 2, Schedule D, line 11 or 3F, Schedule D, line 6 to reflect the correct Massachusetts amount.

Line 20: Long-term Gains on Collectibles and Pre-1996 Installment Sales — The amount in line 20 is your share of the partnership's long-term gains on collectibles and pre-1996 installment sales. The correct Massachusetts amount of the partner's share of long-term gains on collectibles and pre-1996 installment sales may differ from the comparable U.S. total reported on Form 1, 1-NR/PY, 2 or 3F, Schedule D. Each partner should make adjustments in Form 1 or 1-NR/PY, Schedule D, line 9, or Form 2, Schedule D, line 11 or 3F, Schedule D, line 6. Each partner should report the correct amount in Form 1 or 1-NR/PY, Schedule D, line 11; Form 2, Schedule D, line 13 or Form 3F, Schedule D, line 8.

Lines 22 through 24: Corporate Partner Information — Lines 22 through 24 isolate income and deduction items where there are differences between Massachusetts and federal tax treatment of corporate partners. The information provided in lines 22 through 24 should be used by each corporate partner in completing Schedule E of the appropriate corporate form, supplementing other information that is derived from U.S. Forms 1065 and 1120. Each corporate partner should include the line 22 through 24 totals in Schedule E of the appropriate corporate form, lines 6 through 8 and line 10, if applicable.